



General Assembly

February Session, 2016

**Governor's Bill No. 5045**

LCO No. 418



Referred to Committee on COMMERCE

Introduced by:

REP. SHARKEY, 88<sup>th</sup> Dist.

REP. ARESIMOWICZ, 30<sup>th</sup> Dist.

SEN. LOONEY, 11<sup>th</sup> Dist.

SEN. DUFF, 25<sup>th</sup> Dist.

**AN ACT CONCERNING REVISIONS TO THE SMALL BUSINESS EXPRESS PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 32-7g of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2016*):

3 (a) There is established within the Department of Economic and  
4 Community Development the Small Business Express program. Said  
5 program shall provide small businesses with various forms of financial  
6 assistance, using a streamlined application process to expedite the  
7 delivery of such assistance. The Commissioner of Economic and  
8 Community Development, at his or her discretion, may partner with  
9 the lenders in the Connecticut Credit Consortium, established  
10 pursuant to section 32-9yy, in order to fulfill the requirements of this  
11 section. A small business eligible for assistance through said program

12 shall [, as of June 15, 2012,] (1) employ [, on at least fifty per cent of its  
13 working days during the preceding twelve months,] not more than one  
14 hundred employees, (2) have operations in Connecticut, [(3) have been  
15 registered to conduct business for not less than twelve months, and (4)]  
16 and (3) be in good standing with the payment of all state and local  
17 taxes and with all state agencies.

18 (b) The Small Business Express program shall consist of various  
19 components, including (1) a revolving loan fund, as described in  
20 subsection (d) of this section, to support small business growth, (2) a  
21 job creation incentive component, as described in subsection (e) of this  
22 section, to support hiring, and (3) a matching grant component, as  
23 described in subsection (f) of this section, to provide capital to small  
24 businesses that can match the state grant amount. Said program may  
25 include a fund established in collaboration with private sector lenders  
26 doing business in Connecticut, as described in subsection (g) of this  
27 section, to encourage lending and provide small businesses in the state  
28 with access to capital. The Commissioner of Economic and Community  
29 Development shall work with eligible small business applicants to  
30 provide a package of assistance using the financial assistance provided  
31 by the Small Business Express program and may refer small business  
32 applicants to the Subsidized Training and Employment program  
33 established pursuant to section 31-3pp and any other appropriate state  
34 program. Notwithstanding the provisions of section 32-5a regarding  
35 relocation limits, the department may require, as a condition of  
36 receiving financial assistance pursuant to this section, that a small  
37 business receiving such assistance shall not relocate, as defined in  
38 [said] section 32-5a, for five years after receiving such assistance or  
39 during the term of the loan, whichever is longer. All other conditions  
40 and penalties imposed pursuant to [said] section 32-5a shall continue  
41 to apply to such small business.

42 (c) The commissioner shall establish a streamlined application  
43 process for the Small Business Express program. The small business  
44 applicant may receive assistance pursuant to said program not later

45 than thirty days after submitting a completed application to the  
46 department. Any small business meeting the eligibility criteria in  
47 subsection (a) of this section may apply to said program. The  
48 commissioner shall give priority for available funding to small  
49 businesses creating jobs and may give priority for available funding to  
50 (1) economic base industries, as defined in subsection (d) of section 32-  
51 222, including, but not limited to, those in the fields of precision  
52 manufacturing, business services, green and sustainable technology,  
53 bioscience and information technology, and (2) businesses attempting  
54 to export their products or services to foreign markets.

55 (d) (1) There is established as part of the Small Business Express  
56 program a revolving loan fund to provide loans to eligible small  
57 businesses. Such loans shall be used for acquisition or purchase of  
58 machinery and equipment, construction or leasehold improvements,  
59 relocation expenses, working capital or other business-related  
60 expenses, as authorized by the commissioner.

61 (2) Loans from the revolving loan fund may be in amounts from ten  
62 thousand dollars to a maximum of one hundred thousand dollars,  
63 shall carry a maximum repayment rate of four per cent and shall be for  
64 a term of not more than ten years. The department shall review and  
65 approve loan terms, conditions and collateral requirements in a  
66 manner that prioritizes job growth and retention.

67 (3) Any eligible small business meeting the eligibility criteria in  
68 subsection (a) of this section may apply for assistance from the  
69 revolving loan fund, but the commissioner shall give priority to  
70 applicants that, as part of their business plan, are creating new jobs  
71 that will be maintained for not less than twelve consecutive months.

72 (e) (1) There is established as part of the Small Business Express  
73 program a job creation incentive component to provide loans for job  
74 creation to small businesses meeting the eligibility criteria in  
75 subsection (a) of this section, with the option of loan forgiveness based

76 on the maintenance of an increased number of jobs for not less than  
77 twelve consecutive months. Such loans may be used for training,  
78 marketing, working capital or other expenses, as approved by the  
79 commissioner, that support job creation.

80 (2) Loans under the job creation incentive component may be in  
81 amounts from ten thousand dollars to a maximum of three hundred  
82 thousand dollars, shall carry a maximum repayment rate of four per  
83 cent and shall be for a term of not more than ten years. Payments on  
84 such loans may be deferred, and all or part of such loan may be  
85 forgiven, based upon the commissioner's assessment of the small  
86 business's attainment of job creation goals. The department shall  
87 review and approve loan terms, conditions and collateral requirements  
88 in a manner that prioritizes job creation.

89 (f) (1) There is established as part of the Small Business Express  
90 program a matching grant component to provide grants for capital to  
91 small businesses meeting the eligibility criteria in subsection (a) of this  
92 section. Such small businesses shall match any state funds awarded  
93 under this program. Grant funds may be used for ongoing or new  
94 training, working capital, acquisition or purchase of machinery and  
95 equipment, construction or leasehold improvements, relocation within  
96 the state or other business-related expenses authorized by the  
97 commissioner.

98 (2) Matching grants provided under the matching grant component  
99 may be in amounts from ten thousand dollars to a maximum of one  
100 hundred thousand dollars. The commissioner shall prioritize  
101 applicants for matching grants based upon the likelihood that such  
102 grants will assist applicants in maintaining job growth.

103 (3) The commissioner may waive the matching requirement for  
104 grants under this subsection for working capital to small businesses  
105 located within distressed municipalities, as defined in section 32-9p.

106 (g) The commissioner, in collaboration with private sector lenders

107 doing business in Connecticut, may establish as part of the Small  
 108 Business Express program a fund to encourage lending and provide  
 109 small businesses in the state with access to capital. Such capital shall be  
 110 used for acquisition or purchase of machinery and equipment,  
 111 construction or leasehold improvements, relocation expenses, working  
 112 capital or other business-related expenses, as authorized by the  
 113 commissioner. The provisions of subsections (d) and (e) of this section  
 114 shall not be construed to apply to such fund. Such fund shall be  
 115 administered by the Department of Economic and Community  
 116 Development. Notwithstanding the provisions of section 32-7h, the  
 117 commissioner may allocate not more than ten per cent of available  
 118 funding under the Small Business Express program to such fund.

119 [(g)] (h) Not later than June 30, 2012, and every six months  
 120 thereafter, the commissioner shall provide a report, in accordance with  
 121 the provisions of section 11-4a, to the joint standing committees of the  
 122 General Assembly having cognizance of matters relating to finance,  
 123 revenue and bonding, appropriations, commerce and labor. Such  
 124 report shall include available data on (1) the number of small  
 125 businesses that applied to the Small Business Express program, (2) the  
 126 number of small businesses that received assistance under said  
 127 program and the general categories of such businesses, (3) the amounts  
 128 and types of assistance provided, (4) the total number of jobs on the  
 129 date of application and the number proposed to be created or retained,  
 130 and (5) the most recent employment figures of the small businesses  
 131 receiving assistance. The contents of such report shall also be included  
 132 in the department's annual report.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2016	32-7g
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**Statement of Purpose:**

To implement the Governor's budget recommendations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*